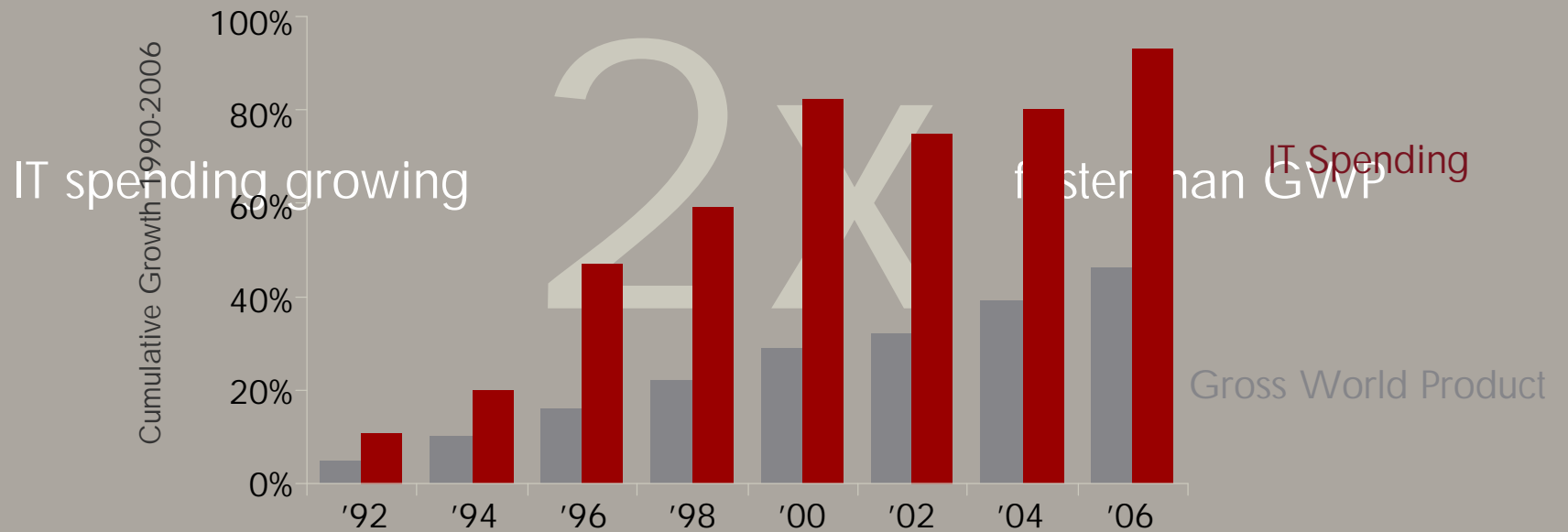


The HP IT Transformation Story: How We Are Turning the Business Side Up





Source: IT spending-IDC Black Book, Nov. 2006; GWP-EIU, Nov. 2006

32 million

2006 worldwide IT labor force

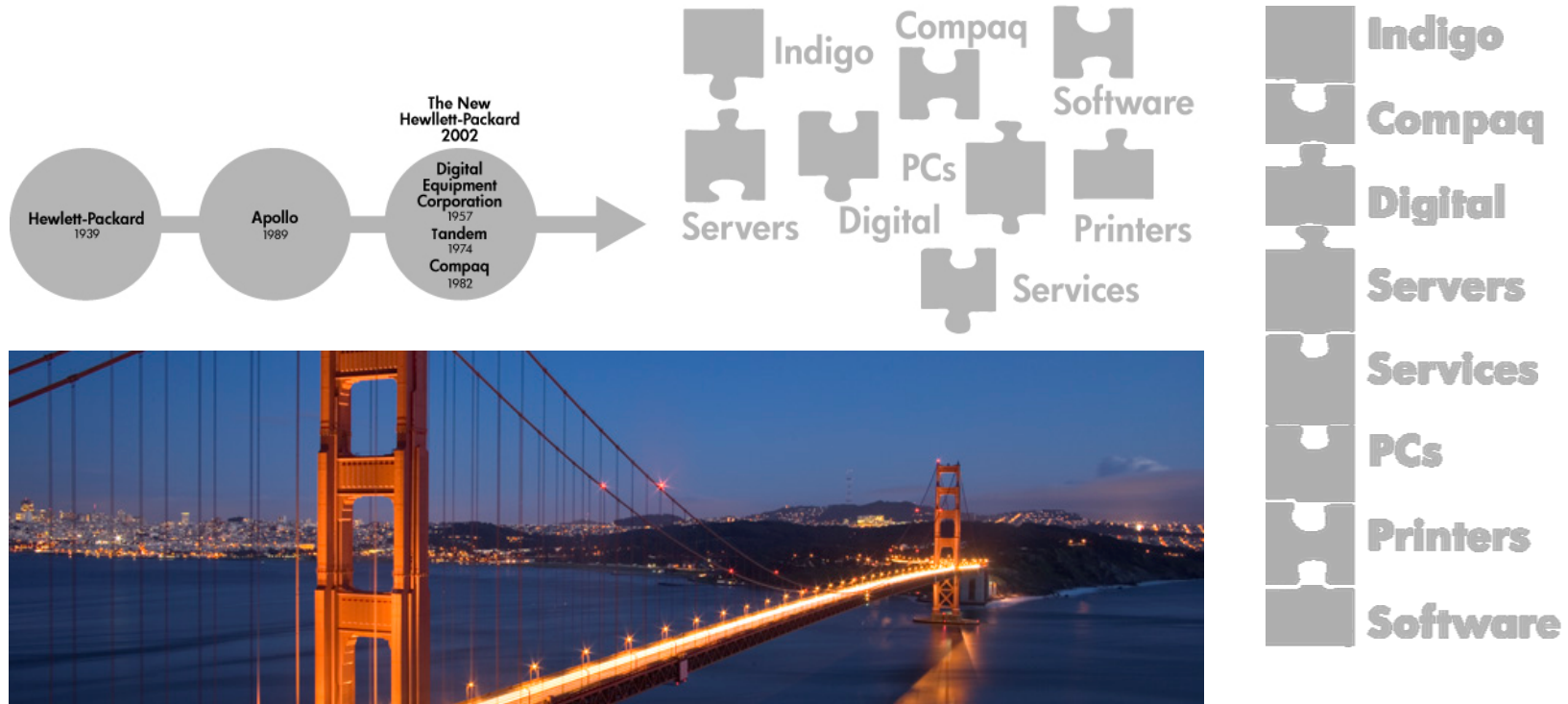


65%

of IT budgets to operations

Not enough investment in innovation;
too much in maintaining legacy infrastructure

The HP Journey



1939 – 2002

- Autonomous IT organization at “division” level (~75)
- IT legacy systems with each company/division

2002 – 2005

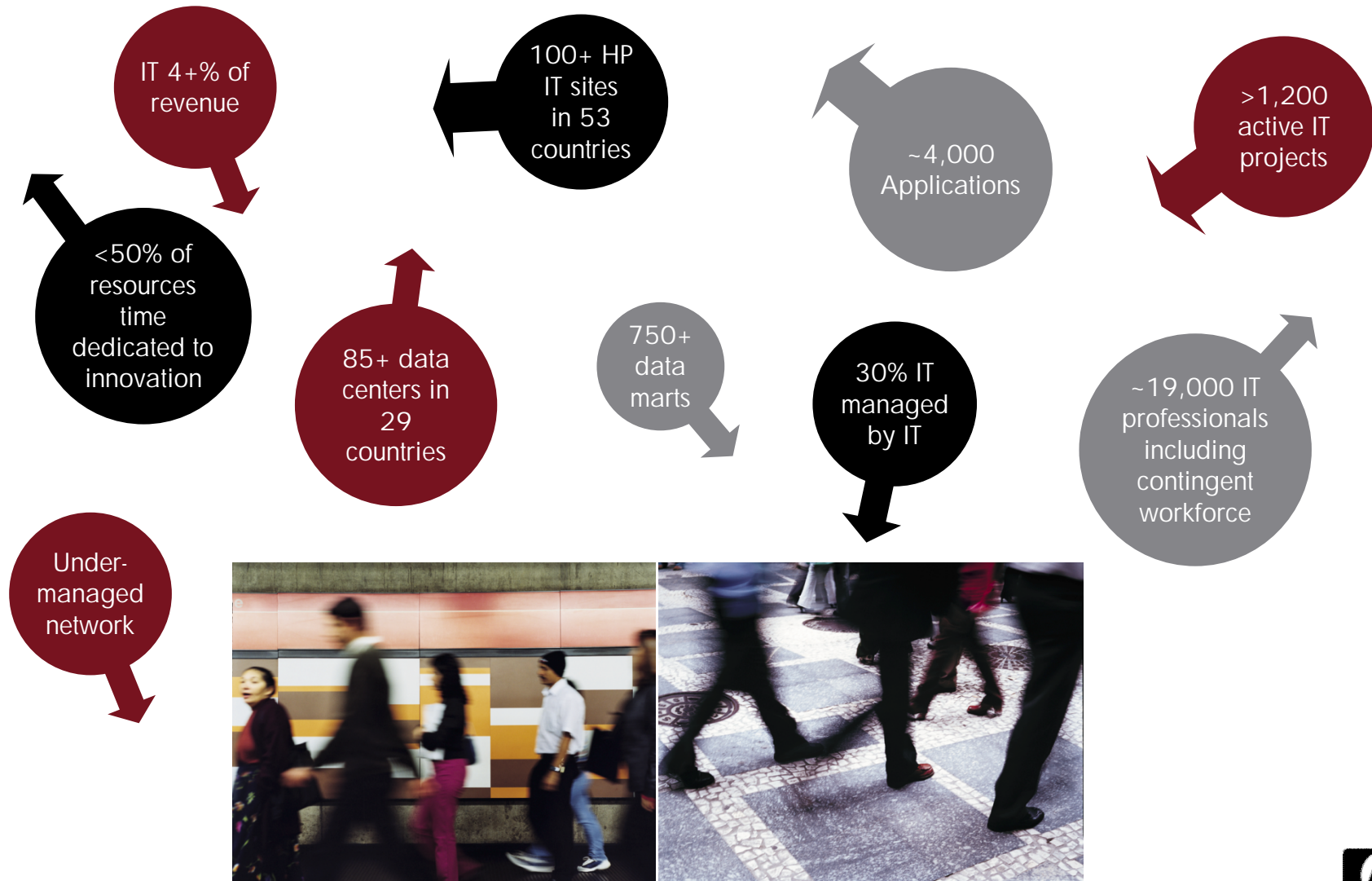
- Mergers & consolidations
- “Adopt and go” strategy for acquisitions

2006 – beyond

- Compatibility
- Redundancy
- Complexity

HP IT 2005

Too many directions, not enough connections



The HP IT Mission

Provide **good information** to enable better business decisions

Significantly **reduce the cost** of IT while **delivering more** to the business

Lower risk to the enterprise with better control of the infrastructure

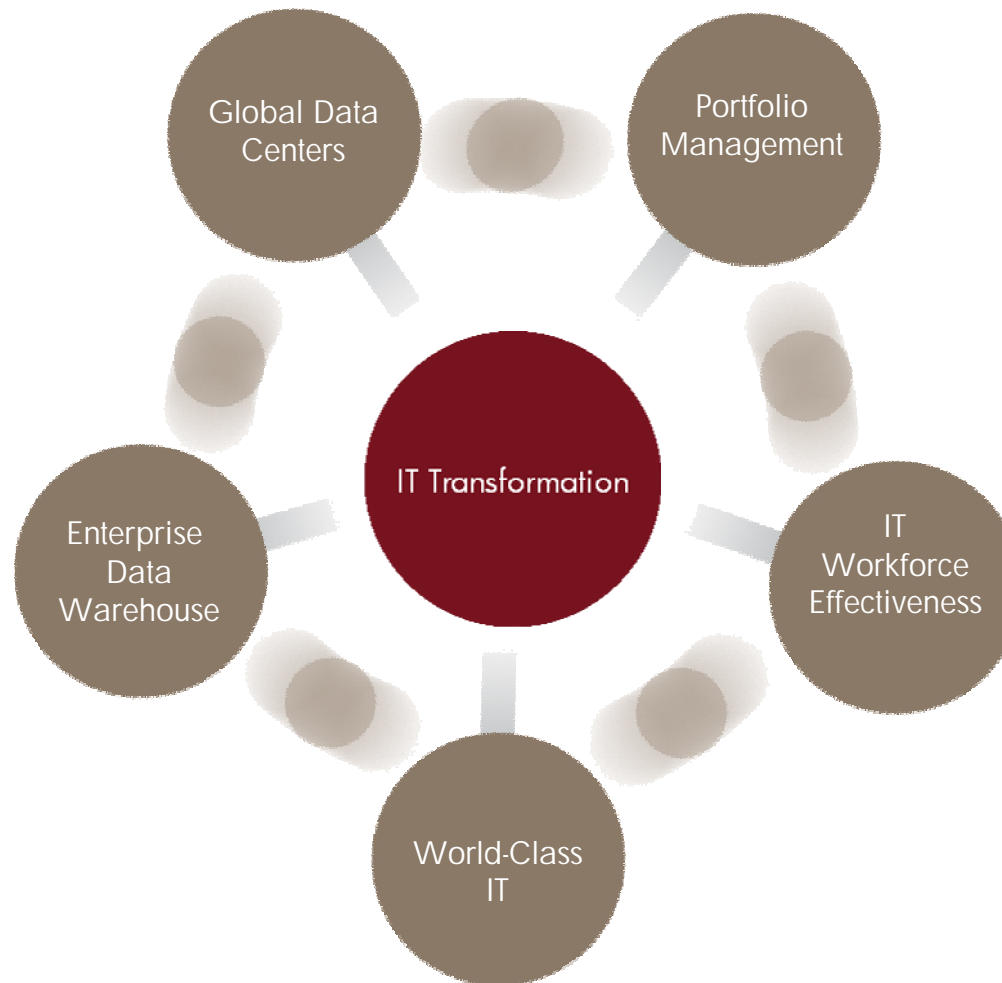
Be a **showcase** for enterprise customers

Transforming HP IT Begins with Accountability

- CEO & CIO accountable for all spend
- CIO responsible for strategy
- HP Executive Council responsible for prioritization of what gets done
- IT responsible for how



HP Top 5 IT Initiatives



The HP IT Transformation

Global IT Portfolio Management:

- Balancing Business Technology investments while simultaneously optimizing resource utilization, maximizing returns and minimizing risk. Through standardizing terminology, definitions and metrics, HP IT presents relevant project data in business terms to the executive committee for prioritization of what IT works on and when. HP IT uses it's own Project and Portfolio Management (PPM) software for real time, global tracking and reporting.

Workforce Effectiveness:

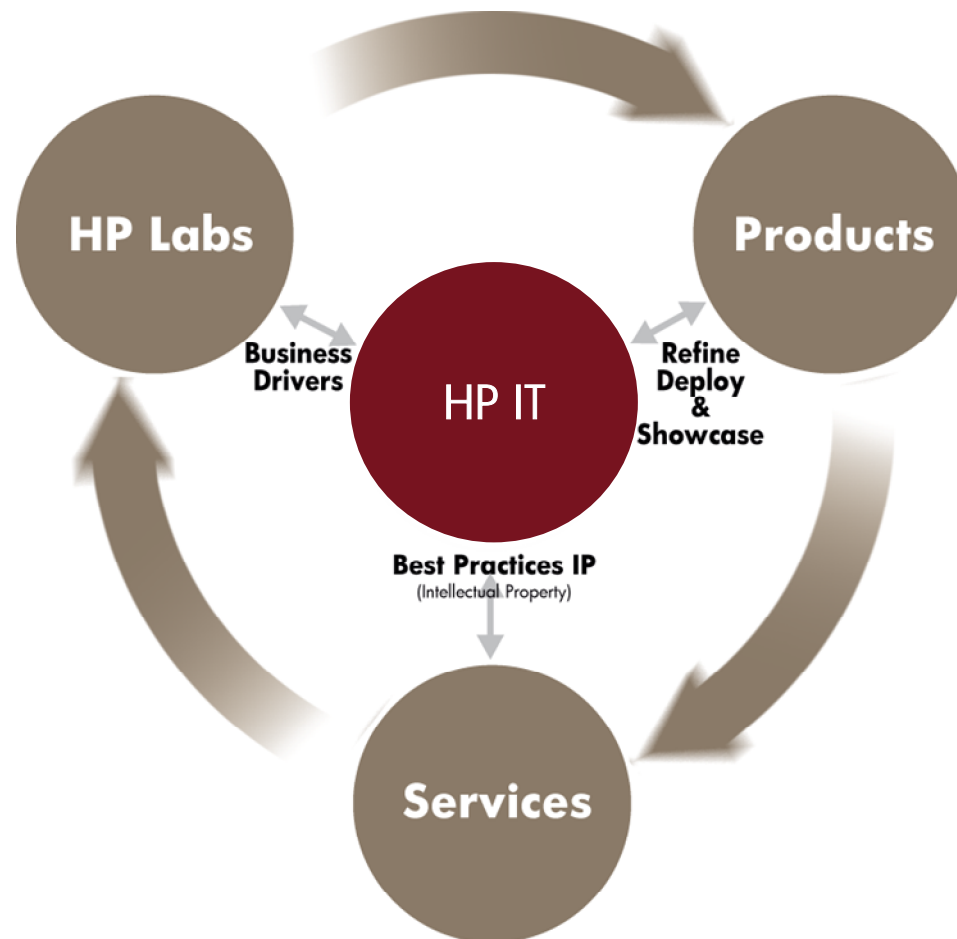
- IT is powering the business. By aligning our people with business goals and developing centers of expertise, HP IT can drive greater value and have a more efficient workforce. Most important, we can do this within a best-in-class cost structure.



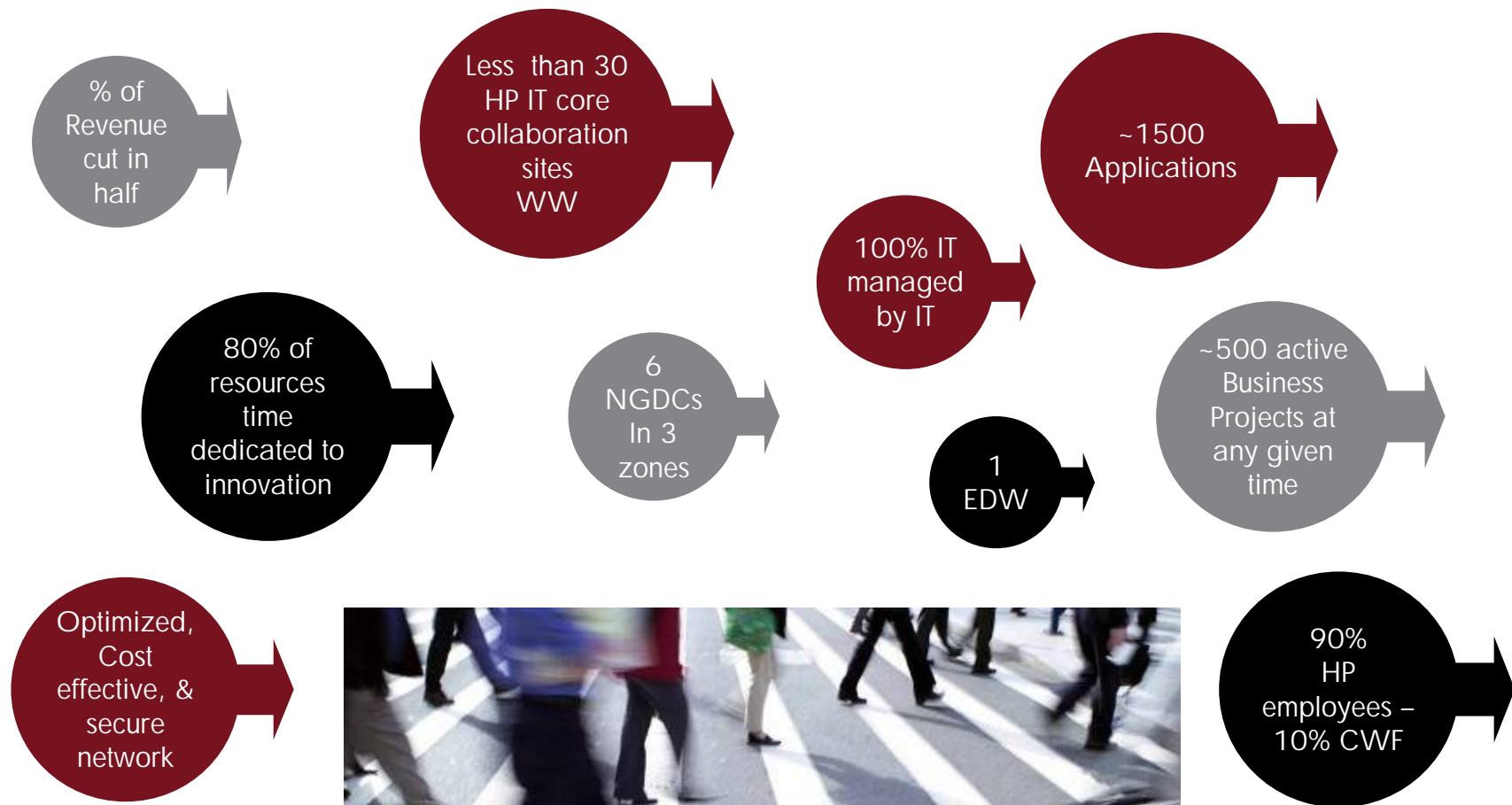
The HP IT Transformation

- **Data Center Consolidation:** Next-generation IT will be characterized by automated, 24x7, lights-out computing. It will be enabled by systems and services, power and cooling, management, security, virtualization, and automation. HP IT is implementing this next-generation data center with state of the art hardware and software at a lower cost.
- **Enterprise Data Warehouse:** making sure that you obtain data once and at the source, have the right level of detail without redundancy, and have the right model – while ensuring data integrity, access and scale – is what HP IT is implementing with our HP Neoview based EDW.
- **World Class IT:** getting the business of IT right means operationalizing our ability to consistently execute the right strategies at the right cost structures while maintaining agility. Within a three year timeframe, HP IT will lead the benchmark in our industry through:
 - Reducing IT cost by ½
 - Demonstrating a ROI of greater than 40% in less than 5 years
 - Continuously delivering more innovation to the business

The HP IT Transformation: Leveraging HP assets



The right direction. The right connections.



Can HP's Experiences help you?

What are your IT professionals working on?

Can you consistently quantify business benefits for all projects?

Can you report % of projects on time?

Do you know the average age of servers and other costly assets?

How many data marts do your servers feed?

How many next generation switches are you running?

Do you know if third party support is cost effective?

We can help. Let's get started.

